

BACKGROUNDER NO. 5-5818
FRED BROWN/NEW DELHI

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INDIA'S NEW FIVE-YEAR DEVELOPMENT PLAN

ANNCR:

INDIA'S JANATA GOVERNMENT RECENTLY UNVEILED A NEW FIVE-YEAR DEVELOPMENT PLAN. THE DOCUMENT NOW BEING DISCUSSED IN PARLIAMENT REPRESENTS A RADICAL DEPARTURE FROM FIVE PREVIOUS DEVELOPMENT PLANS UNDER CONGRESS PARTY RULE. CORRESPONDENT FRED BROWN HAS THIS BACKGROUND REPORT:

VOICE:

PLANNED DEVELOPMENT EMERGED AS A CONCEPT IN INDIA IN THE EARLY 1950'S, NOT LONG AFTER INDEPENDENCE. THE FIRST FIVE YEAR PLAN, DEVELOPED UNDER JAWAHARLAL NEHRU, CONCENTRATED SOLELY ON AGRICULTURE. HOWEVER PLANS BY SUCCEEDING CONGRESS GOVERNMENTS GRADUALLY SHIFTED THE EMPHASIS AWAY FROM AGRICULTURE TOWARD LARGE-SCALE INDUSTRY. WHILE THIS TREND IS CREDITED WITH TURNING INDIA INTO ONE OF THE WORLD'S TOP TEN INDUSTRIAL POWERS, THERE HAS BEEN A GROWING FEELING IN THE COUNTRY THAT IT DID SO AT THE EXPENSE OF THE COUNTRY'S RURAL POOR.

IN RE-ORIENTING THE SIXTH DEVELOPMENT PLAN TOWARD AGRICULTURE AND RURAL DEVELOPMENT, THE NEW JANATA GOVERNMENT IS FULFILLING A PLEDGE MADE IN ITS ELECTION MANIFESTO. OF THE EIGHTY-SEVEN THOUSAND MILLION DOLLARS TO BE SPENT DURING THE FIVE-YEAR LIFE OF THE PLAN, FORTY THREE PERCENT WOULD GO TOWARD RURAL DEVELOPMENT, COMPARED TO THIRTY SEVEN PERCENT IN THE PREVIOUS PLANS.

THE PROPOSED SHARP RISE IN RURAL SPENDING IN SUCH FIELDS AS IRRIGATION, ELECTRIFICATION, SCHOOLING, SANITATION, AND PROMOTION OF SMALL AND COTTAGE INDUSTRIES, IS AIMED AT SPEAR-HEADING THE MOST VIGOROUS ATTACK ON RURAL POVERTY YET UNDER-

TAKEN IN INDIA. THE PROGRAM IS ALSO BEING CALLED THE BIGGEST JOB-CREATING SCHEME OUTSIDE OF CHINA. IN ITS DRAFT FORM, THE PLAN SEEKS TO GENERATE FORTY-NINE MILLION MAN-YEARS OF NEW JOBS, ENOUGH TO ABSORB THE YEARLY INCREASE OF THE COUNTRY'S LABOR FORCE AND REDUCE EXISTING UNEMPLOYMENT BY TWO THIRDS.

POVERTY UNDER THE PLAN IS REDEFINED IN TERMS OF NUTRITIONAL NEEDS, WHICH ARE SET AT 2400 CALORIES A DAY IN RURAL AREAS. RIGHT NOW, FORTY-EIGHT PERCENT OF THE PEOPLE ARE BELIEVED TO LIVE BELOW THIS LINE. THE PLAN HOPES TO REDUCE THAT TO THIRTY-NINE PERCENT IN FIVE YEARS, AND TWENTY-SEVEN PERCENT AT THE END OF TEN YEARS. AMONG OTHER GOALS OF THE AMBITIOUS NEW PLAN: ELECTRIFICATION OF FORTY THOUSAND ADDITIONAL VILLAGES, LINKING ALL THE INDIAN VILLAGES BY ROADS, AND PROVISION OF PURE DRINKING WATER TO THE ONE HUNDRED THOUSAND VILLAGES CURRENTLY LACKING SUCH WATER. IN THE FIELD OF EDUCATION, THE GOAL IS TO EXTEND ELEMENTARY EDUCATION TO NINETY PERCENT OF INDIAN CHILDREN BY 1983, THE YEAR THE PLAN IS COMPLETED.

SINCE A DOUBLING OF IMPORTS IS ANTICIPATED DURING THIS PERIOD, WHILE EXPORTS ARE EXPECTED TO RISE ONLY HALF AS FAST, A SIZEABLE TRADE DEFICIT IS EXPECTED. THE GOVERNMENT HOPES TO MEET THIS DEFICIT PARTLY FROM THE REMITTANCES OF INDIANS WORKING ABROAD AND PARTLY FROM FOREIGN AID.

SO MUCH FOR THE OBJECTIVES OF THE PLAN. WHAT ARE THE PROSPECTS OF ACHIEVEMENT? THERE ARE MANY SKEPTICS WHO DOUBT THE PLAN WILL SUCCEED IN REACHING ITS GOALS. THESE PEOPLE POINT TO EXPERIENCE WHICH SHOWS THAT INVESTMENT IN INDIA'S RURAL SECTOR DOES NOT AUTOMATICALLY RELIEVE EITHER POVERTY OR UNEMPLOYMENT. THEY POINT TO THE SO-CALLED GREEN REVOLUTION, WHICH THEY SAY MADE RICH FARMERS RICHER,

WHILE THE POOR REMAINED AS IMPOVERISHED AS EVER AND UNEMPLOYMENT CONTINUED TO RISE. AND THEY ARGUE THAT MANY WOULD-BE REFORMS IN THE PAST HAVE BEEN SABOTAGED BY INDIA'S STILL POWERFUL LANDLORD CLASS. INDIA, THESE CRITICS CONTEND, LACKS THE NECESSARY ADMINISTRATIVE MACHINERY TO IMPLEMENT A BIG RURAL DEVELOPMENT PROGRAM. MANY INDIAN STATES THEY POINT OUT, HAVE BEEN UNABLE TO SPEND EVEN THE MODEST AMOUNTS PREVIOUSLY ALLOCATED TO THEM FOR RURAL PROJECTS. AS ONE CRITIC IN NEW DELHI RECENTLY PUT IT, IT IS RELATIVELY EASY TO SPEND ONE THOUSAND MILLION DOLLARS TO BUILD A NEW STEEL PLANT, BUT IT IS MUCH MORE DIFFICULT TO PLAN AND EXECUTE ONE MILLION RURAL PROJECTS COSTING ONE THOUSAND DOLLARS EACH. WHETHER THE JANATA GOVERNMENT PLANNERS OR THE SKEPTICS ARE RIGHT, ONLY TIME WILL TELL.

WJC